

**IN THE HIGH COURT OF PUNJAB AND HARYANA AT
CHANDIGARH**

C.R.No. 2871 of 2006

Date of decision : 12.10.2006.

M/S Baba Rangi Ram (P) Ltd.

.....Petitioner.

Versus

Union of India & Ors.

.....Respondents.

CORAM : HON'BLE MR. JUSTICE VINOD K. SHARMA

Present : Mr. Raman Mahajan, Advocate
for the petitioner.

VINOD K. SHARMA,J.(ORAL)

By way of present revision petition the challenge is made to the judgment dated 15.9.2005 passed by the learned Addl. District Judge, Chandigarh accepting the appeal filed by the Union of India against the order dated 22.10.1997 passed by the learned Sub Judge Ist Class, Chandigarh making the award rule of the Court.

The reading of the arbitration agreement shows that by way of agreement the parties had agreed that the Arbitrator would pass a speaking award as he was required to give finding for awarding sum, if any, in favour of either of the parties.

The Arbitrator passed a non-speaking award, however, the learned Civil Judge Ist Class, Chandigarh made the award rule of the Court. The learned Addl. District Judge, Chandigarh, therefore, was right in coming to the conclusion that the award was made against the specific terms of the agreement and, therefore, amounted to misconduct on the part of the

Arbitrator. It is settled law that the Arbitrator is creation of the agreement between the parties and, therefore, is bound by the terms of the agreement.

The only contention raised by the learned counsel for the petitioner against the judgment and order passed by the learned Addl. District Judge is that the award stands implemented and, therefore, the learned Addl. District Judge erred in law in setting aside the award. The contention of the learned counsel for the petitioner is that in this situation it was incumbent upon the Court to have called for the reasons for awarding the amount.

The contention of the learned counsel for the petitioner is totally misconceived. The Court in exercise of powers under Section 30 of the Arbitration Act, 1940 is only to see whether the award is liable to be set aside on the limited grounds mentioned under Section 30 of the Act.

The ground for setting aside the award goes to the root of the jurisdiction of the Arbitrator as he acted against the specific terms of the agreement and, therefore, the learned lower appellate Court was justified in setting aside the award on the ground of misconduct. The learned lower appellate Court , therefore, has rightly remitted the case back to the Arbitrator for decision in accordance with provisions of the agreement as well as the Arbitration Act.

No ground for interference is made out.

Dismissed.

October 12,2006
'sp'

(VINOD K. SHARMA)
JUDGE